

Finance and Procurement P2P including Agresso

TAX Overview

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Tax

- Employment status and guidance
- VAT and import taxes
- VAT Purchase Order tax codes in Agresso

Employment Status & Tax Guidance (QMUL)

QMUL internal guidance must be followed by ALL engaging staff and/or staff completing the documents [Paying-external-workers-and-suppliers](#)

- Start with [Useful links](#) and [Route to payment overview](#) – then complete [QMUL Flowchart](#)
 - Flowchart and HMRC CEST must be completed **by QMUL staff** and only if the Flowchart indicate so – Do not send it to supplier – it ***will be rejected***
 - Assessment is required for all intermediary suppliers (small limited companies) and self-employed individuals
 - 1) when setting them up as new, **BUT ALSO**
 - 2) for existing suppliers; for every new contract/PO or at least every 12 months.
- ⚠ **Assessment must be completed before work starts** – suppliers may refuse if tax deductions apply.

⚠ **BE AWARE!**

- Individuals should normally be defaulted to payroll – UNLESS genuine freelances/sole-traders, with **business insurance** and correctly completed HMRC CEST confirming that they are self-employed (no exceptions, no matter who the engager is, no matter the value paid!)

Payroll also means one-off payroll = no contract required 3 payments a year, but PAYE may be deducted

If the “Supplier” is:

- overseas,
- Agency (charging for the worker’s time)
- Umbrella company (charging for the worker’s time)

different checks may be required please contact tax manager finance-tax-manager@qmul.ac.uk

If a consultant/worker's fee is **costed on a research/project application as staff costs** – this needs to be processed via HR not via procurement/AP route

VAT & Import Taxes (Services)

Overseas Services:

- Unless hotel, meals, transport, or in-person conference:
 - Budget for extra **20% UK VAT** (reverse charge) this will be added by central Finance.
 - Raise PO & set tax code = **P4**.
- Please contact tax manager finance-tax-manager@qmul.ac.uk for queries.

Overseas Goods:

- May incur Import Duty + VAT.
- See Finance guidance [Import-Duty-and-VAT-guidance-QMUL.docx](#)

VAT Reliefs:

- Medical research/training/treatment → [Zero-Rate-VAT.docx](#)
- Advertising for QMUL – conditions apply → contact finance-tax-manager@qmul.ac.uk

VAT Purchase Order Tax Codes

Code	Use Case	Notes
P9	Default – 20% UK VAT	UK VAT registered supplier only - charges UK VAT
P2	Reduced rate 5%	E.g. utilities – UK supplier
P3	Zero-rate VAT	If Zero Rate certificate can be issued (Zero-Rate-VAT.docx) or supplier confirms Zero Rate VAT (e.g. books)
P4	Non-UK services	UK VAT under Reverse charge mechanism will be considered
P7	Overseas goods (no certificate)	See also Import-Duty-and-VAT-guidance-QMUL.docx
PE	Exempt VAT	E.g. education by eligible body supplier should confirm
PO	Outside Scope	E.g. non-VAT registered UK supplier, donations, UK only collaborations

⚠ Codes must match supplier's VAT treatment – always confirm if *Zero-rated, Exempt, or Outside Scope*.
"(Zero Rate, Exempt, and Outside Scope are all Nil but distinct for partial exemption purposes.)"